



# U.S. Export Assistance Center

600 Superior Ave, Suite 700 Cleveland, OH 44114

## **SAVE THE DATE! EXPORT CONTROL WORKSHOPS**

**Tuesday, December 10, 2002  
ESSENTIALS OF EXPORT  
CONTROLS**

This is an intensive, one-day program that covers the key information you need to know to comply with the Export Administration Regulations (EAR). Counseling and other professionals from the Bureau of Industry & Security (BIS), former Bureau of Export Administration, will cover the major elements of the U.S. export control system for commercial exports. This fast-paced program is ideal for those with busy schedules. This program is for all levels of expertise on export control issues and will answer questions such as:

- Why BIS controls exports
- Types of controls
- How to classify of your product
- Licensing requirements & exceptions
- Licensing process and what to expect
- Re-export requirements
- Required support documentation
- Export clearance
- Shipper's Export Declaration (SED)
- Export compliance & controls

**Wednesday, December 11, 2002  
EXPORT COMPLIANCE FOR  
FORWARDERS**

This one-day workshop is ideal for freight forwarders, carriers, and others in the transportation industry who need to learn their responsibilities under the EAR and the Foreign Trade Statistics Regulations (FTSR). Specialists from BIS, the Census Bureau, and U.S. Customs will review the major elements of the U.S. export control system for commercial/dual use ex-

ports. They also will provide information on responsibilities and liabilities in export transactions.

Call us if you would like to RSVP now for these workshops, and we will send you registration materials. Space is limited, so call now.

*The following three sections are a glimpse of the type of information you will learn when attending one of these workshops.*

## **EXPORT REGULATIONS UPDATE**

Increased stringency applies to trade dealings with persons that are on certain agencies' restricted lists. These lists not only include principals in a transaction (buyer, seller), but agents, distributors, freight forwarders, banks, and other intermediaries.

It is the exporter's responsibility to check the lists at various phases of a transaction in order to protect against unlawful business dealings. Because fines for violations can be high and criminal penalties may be imposed, one attorney goes so far as to suggest making copies of the relevant screens and keeping them in the transaction file.

A new "list" has just been added (Federal Register, June 14, 2002) by the BIS. It is called the "Unverified List" and represents the Bureau's inability, for whatever reasons, to carry out pre-license or post-shipment verifications in the destination country.

Following are the agencies, their websites, and the types of lists maintained:

**Bureau of Industry & Security (BIS)**  
[www.bxa.doc.gov](http://www.bxa.doc.gov)  
Denied Persons List, Entity List, Unverified List

**Office of Foreign Assets Control**  
[www.ustreas.gov/ofac](http://www.ustreas.gov/ofac)  
List of Specially Designated Nationals and Denied Persons

**Office of Defense Trade Controls**  
[www.pmdtc.org](http://www.pmdtc.org)  
AECA - List of Debarred Parties

## **U.S. CUSTOMS OFFICE OF INVESTIGATIONS**

U.S. Customs Office of Investigations is charged with preventing certain exported goods from getting into enemies' hands abroad. The office recently presented a list of countries which it said are engaged in questionable transshipments of U.S. goods with possible military applications: UAE, Singapore, Hong Kong, Cyprus, Jordan, Malta, Thailand, Yemen, Sudan, and Canada. Customs asks anyone who notices anything at all suspicious about an export transaction to call a national hotline number at (800) BeAlert, or the office in Strongsville at (216) 706-4292.

## **CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT)**

C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security.

**Benefits of participation in C-TPAT**  
C-TPAT offers businesses an opportunity to play an active role in the war against terrorism. By participating in this new worldwide supply chain security

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initiative, companies will ensure a more secure supply chain for their employees, suppliers and customers. Beyond these essential security benefits, Customs will offer additional benefits to C-TPAT members, including:

- Reduced number of inspections (reduced border times)
- Assigned account manager
- Access to the C-TPAT membership list
- Eligibility for accounting processes (bimonthly/monthly payments, e. g.)
- Emphasis on self-policing (not Customs verifications)

## AMERICAS NEWS

**ARGENTINA allows pre-shipment payment** on additional products. In May, the Argentine government added imported raw materials and intermediate goods to a list previously restricted to "essential" goods (drugs, medical equipment, and cellular telephon products), for which payment could be made in advance of shipment. Other imports still face delays of up to 360 days before the Argentine Central Bank will release the foreign exchange.

**BRAZIL reduced import taxes** in May on about 155 machinery items from 14% to 4% by a decision of the Management Committee of Foreign Trade Chamber (CAMEX) aimed at allowing internal industry growth to increase global competitiveness. Industries that will benefit from the reduced cost of imported machinery are electronics, pulp and paper, and metalworking.

In addition to these reductions, tariffs applicable to two components of the cellular phone manufacturing industry (SAW and dielectric filters) were also lowered.

**CANADA is requiring full 10-digit HS codes** to be shown on commercial invoices and Canada Customs Invoices effective May 1, 2002. Note that these are Canada's HS codes and differ in the last four digits from U.S. Schedule B Numbers. To avoid delayed shipments, ex-

porters of shipments valued at more than CAN\$1600 should assure compliance with this requirement. Call Canada Customs at (613) 957-1229 with any questions (Brenda Wiseman).

**ECUADOR eliminated import duties on computer hardware** in a January 2002 action designed to dramatically increase the number of computer and internet users in the country. Imports of computers in 2001 were estimated at \$96.3 million, of which the U.S. share was \$53.5 million. Affected are HS numbers 8471, 8473 and 8524.31.

## EXPORT INSPECTION CERTIFICATES

In the March 2002 issue of the International Trade Administration's (ITA) monthly magazine, EXPORT America, the ITA's Trade Information Center covered the subject of inspections certificates often required from U.S. exporters. The following highlights will guide northern Ohio exporters in complying with such requirements whenever they arise.

**Agricultural products will need** inspection certificates from various branches of the U.S. Department of Agriculture. For plants (including wooden shipping containers or pallets) and animals, contact the Animal Plant Health Inspection Service (APHIS), at [www.aphis.usda.gov](http://www.aphis.usda.gov), where local offices are also identified. For animal by-product exports requiring certification prior to shipment, Ohio exporters can contact the Veterinary Services office of APHIS in Pickerington, OH, at (614) 469-5602.

**The Environmental Protection Agency (EPA)** will issue a "Gold Seal" certificate for pesticide products certifying that a pesticide is registered in the United States and is available in the U.S. market. Contact the EPA at (703)305-5446.

**Food and drug exporters can obtain** Certificates of Free Sale and other types of certificates from the Food and Drug Administration, which issues certificates for certain human drugs and biological prod-

ucts, animal drugs, medical devices, food products, dietary supplements, cosmetics and animal-derived products. The USEAC has FDA phone contact information for each of these categories. In Ohio, the Department of Agriculture's Division of Food Safety also issues "free sale" certificates for food products. Phone: Debra Clark at (614)728-6250.

**Pre-Shipment Inspections** are required by some importing country governments who wish to inspect the quality and quantity of goods and verify the price. These countries (list available) hire internationally recognized inspection companies to perform the inspection at the exporter's factory. The cost is usually borne by the importer or local government, although exporters sometimes incur costs as well. The inspection companies have offices in the United States. Societe Generale de Surveillance (SGS), Bureau Veritas, and Intertek Testing Service (ITS) are the best known. Pre-shipment inspection practices are the subject of a WTO agreement, and a body exists (since 1996) to settle disputes between shippers and preshipment

Questions or additional information?

## CONTACT US!

### Cleveland USEAC

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Cleveland, OH 44114  
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International Trade Specialist

Sasha Petrov

Trade Reference Assistant

Patrick Hayes

Small Business Administration -  
Export Finance Manager

inspection companies over the manner in which inspections are handled. Contact us if your company experiences any problems.

### **BISNIS EXPOLINK EURASIA**

BISNIS EXPOLINK EURASIA is a new, free service that displays U.S. company profiles on the BISNIS Russian-language website and distributes them to companies through BISNIS' 18 representatives in Eurasia, as well as through a network of cooperative relationships in the region.

To participate in the program, a company needs to:

- Prepare company profile per guidelines
- Translate into Russian
- Submit it to a BISNIS industry specialist

Interested companies may call us or visit BISNIS online at:  
[www.bisnis.doc.gov/nis/ele.cfm](http://www.bisnis.doc.gov/nis/ele.cfm)

### **CHINA - A GROWING MARKET REQUIRING A CAREFUL APPROACH**

Many Northern Ohio companies had the opportunity in June to meet with Senior Commercial Specialist Shuquan Li, from the U.S. Consulate in Guangzhou. During a two-week stay, Mr. Li provided first-hand information on export markets in China to companies in several cities.

China is a growing market for U.S. exports (Ohio exports to China in 2001: \$626 million, up from \$417 mil. in 2000). U.S. Commercial Service (CS) posts (Shenyang, Beijing, Shanghai, Chengdu, Guangzhou, Hong Kong) report increasing use by American companies of CS services. Finding the right partner is key and due diligence is advised. An Commercial Service International Company Profile (ICP) is recommended whenever the prospective business partner is not well known to the U.S. company.

The subject of visas for prospective Chinese customers is also frequently raised. In this regard, we think that USEAC cli-

ents will benefit from advice recently received from U.S. Commercial Service in China: not all requests for letters of invitation (required by the Chinese visitor to obtain a passport) are legitimate.

Some visits are used to gather intelligence for IPR violations, while others may be for tourism (the Chinese government does not issue tourist passports). U.S. sellers are also cautioned that language in sales contracts should not have a sale hinge on a factory visit, as the failure of a visa interview can result in the sale being voided.

### **CUSTOMS CLEARANCE IN RUSSIA**

The customs process is one of the more significant challenges that U.S. exporters face when shipping to Russia. The U.S. Department of Commerce funds a bilateral customs project, CLEAR-PAC (Customs Link Entry/Exit America Russia Pacific), that is working to minimize this barrier to trade. The project is aimed at expediting the customs process in Russia through development and implementation of an automated system.

In April 2002, CLEAR-PAC signed an agreement with Flagship Customs Services, Inc. (Silver Spring, MD) to develop the U.S.-Russia Trade Facilitation Link, which will electronically connect U.S. exporters and/or their shipping agents with the Russian side for pre-clearance purposes. A six-month pilot of this link will be conducted in Sakhalin to test the application, and a pilot is also planned in St. Petersburg.

For more information log on to [www.fraec.org](http://www.fraec.org) or Contact: Kristi Magee, CLEAR-PAC Operations Coordinator at (206) 443-1935 or [clear-pac@fraec.org](mailto:clear-pac@fraec.org).

### **FRAUD WARNING FROM KUWAIT**

U.S. Commercial Service in Kuwait warns that there have been recent instances of U.S. companies being scammed by indi-

viduals purporting to represent Kuwaiti government agencies or the Central Bank of Kuwait. Some deals include arrangement for payment via offices in Madrid, Spain.

Clients doing business with Kuwait are advised to examine the veracity of any deals with the Kuwaiti Government and/or the Central Bank of Kuwait. Suspicions should be heightened if any of the transactions include a Madrid-based organization called the "Overseas Credit Commission" or an individual named Hassan Ah Almoweid (also seen as Hassan Almoweld or Hassan Al-Wallid).

The Central Bank of Kuwait's website, [www.cbk.gov.kw](http://www.cbk.gov.kw) includes a "Scams and Frauds" page with information on how to verify the bona fides of individuals purporting to act for the Bank. If questions persist, businesses are invited to contact us or the Commercial Service in Kuwait.

### **ITC ACTS ON OVERSEAS INTELLECTUAL PROPERTY RIGHTS ISSUES**

It's not widely known that the International Trade Commission (ITC), which is primarily known for its role in anti-dumping and countervailing duty cases, also plays an active role in taking action against foreign violators of U.S. companies' patents and trademarks.

A recent article in the Wall Street Journal calls attention to this fact while citing several prominent cases, including Hewlett-Packard's successful complaint against a Taiwanese company selling its infringing printer-cartridges in the United States. Complaints brought to the ITC are decided within 12 to 15 months and can result in an order stopping the importation into the United States. A finding of infringement by the ITC can also be beneficial to the complainant in any legal action taken abroad. For information, call the ITC office of Unfair Import Investigations at (202) 205-2560 or see [www.usitc.gov](http://www.usitc.gov).

## EVENTS CALENDAR

### 2002 LOCAL & U.S. VENUES

**Thursday, August 29:**  
**Going Global: Video Conference**  
**Event on Exporting**  
**Ohio University Belmont Campus**  
**St. Clairsville, OH 9:00am-4:00pm**

This conference will be held in conjunction with Athens and Waverly Ohio. Topics covered include Exporting Essentials, Trade Show Training, and Corporate Case Studies (featuring recent Ohio E-Award Winners).

Special videoconference sessions with U.S. Department of Commerce Specialists in Dusseldorf, Vancouver, and Mexico City will also be highlighted.

Event sponsors include: U.S. Commercial Service/U.S. Export Assistance Center, Ohio University, Appalachian International Trade Assistance Center, Appalachian Regional Entrepreneurship Initiative, Ohio Valley Regional Development Commission and Pike County Community Action.

Contact:  
 Marcia Brandstadt (216)522-4732 or  
[marcia.brandstadt@mail.doc.gov](mailto:marcia.brandstadt@mail.doc.gov)

**December 10, 2002:**  
**Essentials of Export Controls**  
 Call (216)522-4750

**December 11**  
**Export Compliance for Exporters**  
 Call (216)522-4750

### 2002- 2003 INTERNATIONAL BUYERS PROGRAM (IBP)

The IBP Program brings foreign end-users and distributors to top U.S. trade shows in order to provide matchmaking services and business counseling to help generate export sales.

### Upcoming IBP Events Include:

**September 28-October 2: WEFTEC**  
 CHICAGO (Water Treatment Eq.)

**October 30 - 31:**  
 ATLANTA (Medical Eq. & Svcs.)

**November 3-7: Packexpo**  
 CHICAGO (Packaging Equipment)

**November 5-7: AAIW**  
 LAS VEGAS (Automotive Aftermarket)

**November 12-14:**  
**International SHOPA Show**  
 ATLANTA (School & Office Prod.)

**January 12 -15:**  
**International Housewares Show**  
 CHICAGO (Houseware Supplies)

**January 20-22: The Super Show**  
 LAS VEGAS (Builders Show)

**March 4-6: Electric Power 2003**  
 HOUSTON (Power Generation Eq.)

**April 29-30, 2003: WASTEXPO**  
 ATLANTA (Waste Handling Eq.)

**June 1- 5: SUPERCOMM**  
 CHICAGO - (Telecommunications Eq.)

**June 23: NPE**  
 CHICAGO - (Plastics)

### 2002 EVENTS ABROAD

**September 15-24:**  
**Medical Device Trade Mission**  
 Beijing, Chengdu, Hong Kong

Contact: Lisa Huot at (202) 482-0975 or  
[Email: Lisa\\_Huot@mail.doc.gov](mailto:Lisa_Huot@mail.doc.gov)

**September 19-20:**  
**REPCAN MONTREAL\***

Industry focus on: Aerospace, Biotechnology, Pharmaceutical, Telecommunications, Information Technology, Multimedia, and Electronic components.

Contact: Connie Irrera, Project Manager  
 (011)(514) 398-9695 or  
[connie.irrera@mail.doc.gov](mailto:connie.irrera@mail.doc.gov)

**November 4 - 15: USChinaBUILD**  
**Sales Mission Seminar Series**  
**Stops Include: Shanghai, Beijing,**  
**Chengdu, and Guhzangzou**

Focuses on wood frame construction and selection and use of U.S. building materials.

Organizers: Evergreen Building Products Association, American Forest & Paper Assn, Center for International Trade in Forest Products (U. of Washington), Washington State Office of Trade & Economic Development.

Contact: Rose Braden (206) 543-0700.

**November 6 - 8: MetalMecanica**  
**The Hippodrome, Mexico City**

USDOC-Certified exhibition for precision metal forming, steel construction, manufacturing, transportation, welding, electro-mechanical technologies, and related arts and sciences.

Organizer: Penton Media, Inc. Official recruiting agent is Kallman Associates, Warwick, NJ.  
 Precision Metal Forming Association (PMFA), Cleveland also will recruit member companies.

Contacts: Roger Judson, PMFA  
 (216) 901-8800 x155  
 Jerry Kallman, Kallman Associates  
 (201) 652-7070 or [Jerry@kallmaninc.com](mailto:Jerry@kallmaninc.com)

**December 4 - 5:**  
**REPCOM MEXICO CITY\***

Contact: Martha Sanchez at  
 (011)(525)140-2621 or  
[Martha.Sanchez@mail.doc.gov](mailto:Martha.Sanchez@mail.doc.gov)

*\* REPCOM and REPCAN events include an exhibition coupled with individual Gold Key Matching Service appointments for participants seeking local partners for their U.S.- made products or service.*